

Exhibit 3

Flemming Zulack Williamson Zauderer LLP  
One Liberty Plaza  
New York, New York 10006  
(212) 412-9500  
Dean R. Nicyper, Esq. (DRN-7757)

USDC SDNY  
DOCUMENT  
ELECTRONICALLY FILED  
DOC #: \_\_\_\_\_  
DATE FILED: 11/07/07

Attorneys for Plaintiff Earl Davis

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----  
EARL DAVIS,

Plaintiff,

-against-

SALANDER O'REILLY GALLERIES LLC  
f/k/a SALANDER O'REILLY GALLERIES INC.,  
and LAWRENCE B. SALANDER

Defendants.

X

Case No. 07-CV-4165 (SHS) (DF)

**STIPULATION AND ORDER**

WHEREAS, Plaintiff, as the son and heir of American artist Stuart Davis, owns works of art created by his father. He consigned many of those works to Defendants' art gallery for exhibition or possible sale. He alleges that the Defendants have neither returned nor paid him for all of those works of art.

WHEREAS, Plaintiff has moved by Order To Show Cause for an order granting preliminary relief, which was signed by Judge Richard M. Berman on June 29, 2007. To resolve the relief sought in the Order to Show Cause, the parties agree, and Defendants consent, to the following:

IT IS HEREBY STIPULATED, AGREED, AND ORDERED that:

1. Defendants, and all persons acting for, on behalf of or for the account of either of said Defendants, are enjoined, restrained and prohibited during the pendency of this action, from selling, lending, leasing, consigning, encumbering, assigning or pledging as collateral, or transferring or attempting to transfer to any person or entity other than to the Plaintiff herein or as this Court may otherwise direct,

possession of or any interest in any of the works of art identified in Schedule A hereto (the "Works");

2. Defendants are to retrieve all Works that have not yet been sold from those persons or entities to which Defendants consigned, pledged, loaned or transferred such unsold Works, and deliver such unsold Works to Plaintiff;

3. Defendants are to segregate from all of Defendants' other moneys, and deliver to Plaintiff, all installments that Defendants receive, upon such receipt from this date forward, as one or more payments for Works sold prior to this date;

5. Defendants shall begin producing to Plaintiff as soon as practicable, and shall complete production by July 25, 2007 (unless the parties stipulate otherwise or Defendants can demonstrate upon motion good cause for a later date for production of certain documents), pre-existing documents sufficient to demonstrate with respect to each and every Work:

(a) if it was sold, to whom it was sold (including name, address and telephone number), the sale price, sale date and all terms of the sale, including but not limited to any terms for payment over time (such as a bill of sale, payment records, deposited checks, etc.);

(b) if it was consigned, the person or entity to which it was consigned (including its name, address and telephone number) and the consignment agreement or other written document between the consignor and consignee describing all terms of the consignment;

(c) if it was pledged as collateral, its current location, the security agreement or other written agreement between the debtor and creditor identifying the collateral and the debt for which it was pledged and the identity of the creditor (including its name, address and telephone number) to which it was pledged; and

(d) if it was loaned, left on approval or otherwise delivered to any person or entity, the terms of that arrangement, including the identity, address and

telephone number of each person involved, including the person currently in possession of the Work.

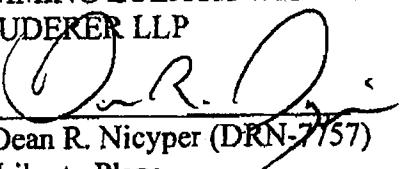
6. If Defendants fail to deliver to Plaintiff all documents identified in the preceding paragraph 5 with respect to any individual Work or Works on or before July 25, 2007 (or other date agreed to or ordered by the Court), Plaintiff may subpoena appropriate third-parties to locate each such Work and determine its status.

7. The parties shall have until August 10, 2007, to negotiate in good faith to attempt to resolve the claims in this action. If the parties are unable to reach a mutually acceptable resolution on or before August 10, 2007, this Consent Order shall remain in effect, the parties shall confer pursuant to Fed. R. Civ. P. Rule 26(f) on August 11, 2007, ~~a Rule 16 conference will be held with the Court on August 15, 2007~~, and this case may proceed in full, including with respect to any additional requests for injunctive relief that may be sought. *The parties are directed to telephone Mag. Judge Sebra Freeman to discuss this action has been referred, for general pretrial purposes, to establish if a Rule 16 conference*

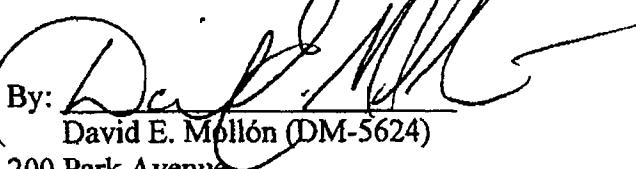
Dated: New York, New York

July 6, 2007

FLEMMING ZULACK WILLIAMSON  
ZAUDEKER LLP

By:   
Dean R. Nicyper (DRN-7757)  
One Liberty Plaza  
New York, NY 10006-1404  
Tel: (212) 412-9500  
Fax: (212) 964-9200  
Attorneys for Plaintiff

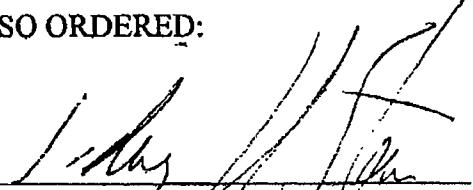
WINSTON & STRAWN LLP

By:   
David E. Mollon (DM-5624)  
200 Park Avenue  
New York, NY 10166  
Tel: (212) 294-6700  
Fax: (212) 294-4700

Attorneys for Defendants

7/9/08

SO ORDERED:

  
Sidney H. Stein, Jr.  
United States District Judge

OIL PAINTINGS

Y.4      **Coal Derrick**  
1916 - 17, oil on canvas  
24 1/8 x 30 in  
Reg # 3926

Y.6      **Dogtown (Hillside with Stone Walls)**  
c. 1916, oil on canvas  
29 1/2 x 23 5/8 in  
Reg # 3928

Y.7      **Farmer and Horse, Tioga, PA.**  
c. 1919, oil on canvas  
24 x 29 3/4 in  
Reg # 5313

Y.8      **Airview**  
c. 1916, oil on canvas  
30 1/4 x 24 1/4 in  
Reg # 5322

Y.10     **Mobil Oil**  
1916, oil on canvas  
23 x 19 in  
Reg # 5334

Y.12     **(East) Gloucester-Harbor**  
c. 1919, oil on canvas  
19 x 23 in  
Reg # 5324

Y.14     **Untitled (Rainy Day)**  
c. 1918, oil on canvas  
23 x 19 1/2 in  
Reg # 3947

Y.17     **Summer House**  
c. 1916, oil on canvas  
18 3/4 x 22 3/4 in

Y.18     **Portrait of a Man**  
c. 1915, oil on canvas  
23 1/8 x 19 1/8 in  
Reg # 12760

Y.28 **Bleeker Street**

1913, oil on canvas

38 x 30 in

Reg # 5326

**Y.31 Harbor Scene**

1914, oil on canvas

26 1/8 x 38 1/8 in

Reg # 5343

**Y.32 Woman in Landscape**

1914, oil on board

12 x 16 in

Reg # 14390

**Y.41 Bowsprit**

1916, oil on canvas

23 x 19 in

Reg # 5318

**Y.41A A Cove, Gloucester Beach**

1916, oil on canvas

30 x 24 in

Reg # 3925

**Y.45 Market and Broad Street,**

**Newark, New Jersey**

1917, oil on paper

16 x 12 1/2 in

Reg # 3938

**Y.46 Windy Night, Newark**

1917

15 1/2 x 11 1/4 in

Reg # 3939

**Y.52 Tioga-Tobacco Fields**

1919, oil on canvas

23 3/4 x 29 3/4 in

**Y.53 Gloucester Landscape**

1919, oil on canvas

23 7/8 x 29 3/4 in

Reg # 5328

**Y.57 Setting Sun, Tioga**

1919, oil on canvas

24 x 30 in

Reg # 5340A

Y.61 **Tree**  
1921, oil on canvas  
19 7/8 x 25 1/8 in  
Reg # 5321

Y.62 **From the Shore (The Sword Plant)**  
1921, oil on canvas  
15 x 30 in  
Reg# 11241

Y.64 **Tree and Urn**  
1921, oil on canvas  
30 x 19 in  
Reg # 4809

Y.65 **Garden Scene**  
1921, oil on canvas  
20 X 40 in  
Reg # 5344A

Y.66 **Wharf**  
1921, oil on canvas  
15 x 23 in  
Reg # 12758

Y68A **Still-Life with Dial**  
1922, oil on canvas  
49 3/4 x 32 in

Y.69 **Still Life with Egg Beater**  
1922, oil on canvas  
12 x 19 in  
Reg # 3940

Y69A **Red Still-Life**  
1922, oil on canvas  
50 x 32 in

Y.70 **Landscape with Saw**  
1922, Oil on board  
16 x 12 in  
Reg # 2785

Y.74 **Still Life (Any)**  
1922, oil on artist board  
9 x 6 in  
Reg # 10835

**Y74A Brown Still-Life**  
1922, oil on canvas  
50 x 32 in

**Y.81 Interior**  
c.1922, oil on canvas  
20 1/8 x 16 1/8 in  
Reg # 3933

**Y.81-B New Mexican Peak**  
1923, oil on canvas  
22 x 32 1/2 in  
Reg # 5310

**Y.81-C Mexican Girls**  
1923, oil on canvas  
20 x 16 in  
Reg # 4407

**Y.81-D Mexican Family**  
1923, oil on board  
20 1/8 x 16 1/8 in  
Reg # 4406

**Y.82B Indian Com**  
1924, oil on board  
18 3/4 x 24 1/2 in  
Reg # 8456

**Y.82C Roses in a Vase**  
1924, oil on board  
24 1/8 x 18 in  
Reg # 6080

**Y.84A Little Giant Still Life**  
(black and white version)  
1953, oil on canvas  
32 7/8 x 43 in  
Reg # 11260

**Y84B Windshield Mirror**  
c. 1954, tempera drawing on canvas  
54 x 76 in

**Y.86 The Plan II**  
1960, oil on canvas  
8 x 12 in

1961, oil on canvas  
14 x 18 in  
Reg # 7198

Y.89 Punchcard Flutter  
1963, oil on canvas  
24 x 32 in

Y.93 Letter and His Ecol (Black & White)  
c. 1962-64, casein on canvas  
24 x 30 in  
Reg # 3956B

Y.96 Theme for Eye Level  
c. 1950, oil on canvas  
14 x 10 in  
Reg # 3342

Y.99 Abstraction  
c. 1922-23, oil on canvas  
32 x 22 in  
Reg # 3345

Y.100 Untitled (Black and White  
Variation on Pochade)  
c. 1958-64, casein on canvas  
45 x 56 in  
Reg # 3346

WORKS ON PAPER

O.1 Suffragettes  
1910, watercolor on paper  
13 3/4 x 18 3/4 in  
Reg # 3951

O.11 Chinese Merchant  
1912, watercolor on paper  
14 1/2 x 10 1/2 in  
Reg # 4784

O.13 Portrait of Man with Cap  
1912, watercolor  
10 1/2 x 14 5/8 in  
Reg # 11711

O.23 Woman with Shawl  
1918, watercolor  
22 1/2 x 17 1/2 in

O.23C **Glintenkamp on Bleeker**  
1911, watercolor  
17 3/4 x 23 3/4 in  
Reg # 11708

O.23K **The Plaza**  
1918-19, watercolor on paper  
18 x 24 in  
Reg # 3936

O.27 **Untitled**  
1921, watercolor on paper  
23 x 17 in  
Reg # 3963

O.28 **Greek Letter Backwards**  
1921, pencil and watercolor on paper  
17 1/4 x 23 in  
Reg # 3962

O.30A **Room Interior**  
1925, watercolor on paper  
12 1 /8 x 9 1/2 in  
Reg # 3953

O.40 **Study for Allee**  
1955, gouache  
8 x 35 in

O.42-A **Section Study for Allee**  
1955, gouache  
8 x 11 in

O.44 **Hightstown Turnoff**  
1960, casein  
11 3/8 x 15 1/4 in

O.47 **On Location**  
1963, casein on paper  
8 3/8 x 11 5/8 in  
Reg # 11264

O.48 **Figure with Pear**  
c. 1925, watercolor and pencil on paper  
15 x 18 in  
Reg # 3958

O.52 **Untitled (Pear)**  
1921, watercolor and pencil on paper  
17 x 12 1/4 in  
Reg # 3959

O.55 **Factory, Gas Pump and Boat**  
c. 1930, ink and gouache on paper  
10 x 15 1/2 in  
Reg # 3945

O.58 **Study for Flying Carpet #2**  
1942, gouache  
5 x 7 in

O.59 **Study for Flying Carpet #3**  
1942, gouache  
5 x 7 in

O.61 **Untitled**  
Mixed media and watercolor on paper  
14 1/2 x 9 1/2 in  
Reg # 3954

O.63 **Theater Crowd**  
1911, watercolor on paper  
14 x 18 1/2 in  
Reg # 7161

O.96 **The Saint**  
1943, gouache  
15 x 20 in

**DRAWINGS**

B.6 **(Abstract Building composition)**  
c. 1920's, ink on paper  
16 3/4 x 22 in

B.10 **Composition with Paintings  
and Town Square (Studio Interior with "Plaza")**  
1925, ink on paper  
10 x 11 in  
Reg # 11683

B.15-A **Drugstore Reflection**  
1931, ink on paper  
11 1/2 x 15 1/4 in

B.16 **Study for Radio City Music Hall Mural**  
1932, pencil on paper  
10 1/2 x 17 in  
Reg # 11250

B.16A **Configuration**  
1932, gouache and pencil on paper  
11 x 14 in  
Reg # 16323

B.18 **Radio Tube**  
1939, pencil on paper  
7 1/8 x 4 3/8 in  
Reg # 6001

B.19B **Drawing for Report from Rockport**  
1940, ink on paper  
24 1/2 x 30 1/2 in  
Reg # 10834

B.20 **Pad Series #I**  
1939, pencil on paper  
34 1/2 x 19 1/2 in  
Reg # 11716

B.20B **Drawing from Pad Series #3**  
1939, pencil on paper  
32 1/4 x 20 1/4 in  
Reg # 4542

B.29 **Study for Percolator**  
1927, pencil drawing  
18 1/8 x 14 1/4 in

B.50 **Summer Landscape**  
1932, pencil on paper  
7 1/8 x 10 3/8 in  
Reg # 11715

B.84 **New York Study**  
undated, pencil on paper  
13 1/4 x 8 3/4 in  
Reg # 7143

B.86 **Clock and Telephone**  
c. unknown, ink on paper  
7 1/2 x 5 (sight) in  
Reg # 12827

B.88 **(Untitled Drawing 1)**  
ink on paper  
7 3/4 x 6 3/4 in

B.89 **Study for Hightstown Turnoff**  
1960, ink on paper  
4 x 6 in  
Reg # 3557

B.102 **Sketch for On Location**  
c. 1963, ink and pencil on paper  
4 x 5 7/8 in  
Reg # 3558

B.104 **Drawing for Bois**  
pencil on paper  
4 11/16 x 5 9/16 in  
Reg # 4788

B.116 **Gloucester Study**  
undated, pencil on paper  
3 1/2 x 5 in  
Reg # 7141

SD-4 **Drawing for Smiths Cove**  
c. 1935, pencil on paper  
15 x 20 in  
Reg # 4804

**SKETCHBOOK DRAWINGS**

1-1 **Sketchbook 1-1**  
c. 1931, pencil on paper  
7 3/8 x 11 in  
Reg # 11354

1-13 **Cigar and Hand Held Before View**  
**Looking Northwest from Approximately**  
**Third Avenue and E. 14th St.**  
1930-32, ink on paper  
7 3/8 x 7 3/8 in  
Reg # 5989

2-13 **6th Avenue E1 from**  
**Washington Mkt.**  
undated, pencil on paper  
9 1/2 x 11 3/4 in  
Reg # 10821

3-3 **Sketchbook (Gloucester 3-3)**  
c. 19301, pencil on paper  
10 3/4 x 14 1/2 in  
Reg # 11688

7-15 **Street Scene with Boulanger**  
c. 1928, pencil on paper  
8 x 10 1/2 in  
Reg # 4545

9-4 **Sketchbook #9-4 (Sailboat and Lighthouse)**  
c. 1932, pencil on paper  
6 x 7 in  
Reg # 7132

9-14 **Drawing for Garage Lights**  
1932, pencil on paper  
7 x 8 in  
Reg # 3586

10-4 **Sketchbook #10-4 (Eraldine and Phyllis)**  
pencil on paper  
7 1/2 x 9 1/3 in  
Reg # 7135

10-7 **Sketchbook (Gloucester)**  
c. 1930-31, pencil on paper  
8 x 10 in  
Reg # 16315

11-6 **Sketchbook #11-6**  
1932, ink on paper  
8 x 10 1/4 in  
Reg # 5198

11-19 **Sketchbook**  
**(Gloucester Abstractions 11-19)**  
1932, ink on paper  
8 x 10 1/4 in  
Reg # 11707

11-20 **Untitled {Sketchbook #11-20}**  
1938, ink on paper  
10 1/4 x 8 in  
Reg # 4551

13-1 **Study for Max II**  
ink on paper  
10 x 8 in  
Reg # 8458

15-5 **Sketchbook (Gloucester 15-5)**  
1933, pencil on paper  
8 x 10 in  
Reg # 11692

16-8 **Sketchbook**  
**(Gloucester Dock Scenes 16-8)**  
1933, pencil on paper  
8 x 10 in  
Reg # 11702

17-10 **Sketchbook #17-10**  
1936, ink on paper  
6 x 9 in  
Reg # 5200

17-16 **Sketchbook (Gloucester 17-16)**  
1936, pencil on paper  
6 x 9 in  
Reg # 11689

17-18 **Sketchbook #17-18**  
1936, ink on paper  
6 x 9 in  
Reg # 5197

20-6 **Untitled (New York)**  
1938, ink on paper  
7 x 9 1/2 in  
Reg # 6003

23-1 **Drawing for Pennsylvania**  
1947, pencil drawing on paper  
12 x 18 in

23-3 **George Wetling Composition**  
1947, pencil on paper  
12 x 18 in  
Reg # 11700

23-4 **Rhythm (sic)**  
1947, pencil on tracing paper  
12 x 18 in

24-10 **Detail Study from Pad Series #2**  
c. 1946, pencil on paper  
8 1/2 x 8 in  
Reg # 4549